

Kentucky Employees Health Plan Status Report

Interim Joint Committee on State Government
June 28, 2006



Agenda

- Current Enrollment
- Financial Review
- General Observations
- Wellness Initiatives
- Implementation of Legislation from 2006 Session
- Proposed Benefits for 2007 Plan Year



Current Enrollment – June 2006

- 153,449 Employees/Retirees
- 235,046 Participants (Employees plus Covered Dependents)
- Average Age of Employees is 47.2
- Average Age of Participants is 38.3
- 35,648 Employees Waive Coverage
- Average Age of Waivers is 45.6



Financial Review

- Financial amounts shown are from the health fund, balanced and reconciled through 5/31.
- Humana's ASO fees are for January – April. ASO fees are billed and paid one month in arrears.
- Express Scripts' ASO fees are for January-May. ASO fees are based on the number of scripts and are processed when the bills are received.

Financial Review

Health Insurance Fund As of May 31, 2006	
Premiums Received	\$483,536,699.32
Interest Accrued & Credited	\$1,276,127.31
Premium Refunds	-\$208,623.52
Total Receipts	\$484,604,203.11
Claims - Humana	-\$203,038,067.32
Claims - Express Scripts	-\$91,606,995.09
Total Claims	-\$294,645,062.41
ASO Fees – Humana	-\$16,934,002.81
ASO Fees - Express Scripts	-\$2,629,197.14
Total ASO Fees	-\$19,563,199.95
Gross Fund Balance	\$170,395,940.75
Less Start-Up Funding	-\$28,827,000.00
Corrected Fund Balance	\$141,568,940.75

General Observations

- Zocor[®] is Most-Utilized Drug
 - More than 7,000 scripts per month
 - Available in Generic Form on 6/23/06
- Rx Generic Utilization increased from 48% in 2005 to 52% in 2006
- Generic Efficiency increased from 91% in 2005 to 93.5% in 2006



Wellness Initiatives

- Smoking Cessation Implemented April 2006
 - Cooper-Clayton
 - Kentucky Quit Line
 - Nicotine Replacement Therapy
- Obesity Management to be Implemented July 2006



2006 Legislation Implementation

- Establishment of Plan Benefits by Administrative Regulation
- Notification of Formulary Changes
- Appeals Process
- RFP for Voluntary Dental & Vision Benefits
- Reporting Requirements

2007 Benefit Plan Options

Commonwealth Premier and Enhanced Core Covered Services	Plan Year 2006	Plan Year 2007
	In Network	In Network
Annual Deductible	Remains the Same	
Out-of-Pocket Maximum	Remains the Same	
Lifetime Maximum	Remains the Same	
In-Hospital Care	Remains the Same	Remains the Same
Outpatient Services	\$10 co-pay	\$15 co-pay
Outpatient diagnostic testing	\$10 co-pay	\$15 co-pay
Ambulatory Hospital and Outpatient Surgery Services	Remains the Same	Remains the Same
Preventive Care	\$10 co-pay per visit*	\$10 co-pay per visit*
	*Individual max included in plan year '05 has been eliminated.	
Pharmacy	Retail \$5/\$15/\$30 Mail Order \$10/\$30/\$60	Retail \$10/\$20/\$35 Mail Order \$20/\$50/\$90
FSA Waiver	\$234/\$200	\$175 to HRA
CDHP Plan	N/A	Introduced

